

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6848

BILL NUMBER: SB 272

NOTE PREPARED: Feb 25, 2013

BILL AMENDED: Feb 21, 2013

SUBJECT: Prescription Drugs and INSPECT.

FIRST AUTHOR: Sen. Miller Patricia

FIRST SPONSOR: Rep. Davisson

BILL STATUS: As Passed Senate

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill has the following provisions:

(1) Requires the Indiana Professional Licensing Agency (PLA) to report to the Health Finance Commission during the 2013 legislative interim concerning:

(A) the expansion of the Indiana scheduled prescription electronic collection and tracking program (INSPECT); and

(B) how to implement a program to require an opioid treatment program (OTP) to transmit specified information concerning a patient to INSPECT before dispensing or administering a controlled substance to the patient.

(2) Requires the Medical Licensing Board of Indiana to adopt rules establishing standards and protocols in the prescribing of controlled substances.

(3) Beginning January 1, 2015, requires dispensers to transmit certain prescription drug information to INSPECT.

(4) Requires, during the 2013 legislative interim, the Division of Mental Health and Addiction (DMHA) to provide the Health Finance Commission with specified information concerning opioid treatment programs.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* This bill could increase the workload of the DMHA to ensure required information is reported to the INSPECT program. Increases in workload are expected to be minimal.

Additionally, the bill specifies study topics for the Health Finance Commission and requires the Division of

Mental Health and Addiction (DMHA) and the Professional Licensing Agency (PLA) to provide specific information to the Health Finance Commission during the 2013 interim.

Additional Information:

INSPECT Reporting: The bill requires dispensed prescription medicine information to be submitted to the INSPECT program beginning in 2015. This requirement will increase the amount of information transmitted for inclusion in INSPECT, which is administered by the PLA. The PLA reports the increase in information that would result from this bill can be managed with currently existing staffing and resources.

Medical Licensing Board of Indiana: The bill also requires the Medical Licensing Board to adopt rules establishing standards and protocols for prescribing controlled substances. This provision is expected to have no fiscal impact on the Medical Licensing Board.

Health Finance Commission: Currently, pharmacists are required to report the following information to the INSPECT program when dispensing opioids (IC 35-48-7-8.1):

- (1) The patient's name.
- (2) The patient's date of birth.
- (3) The National Drug Code number of the dispensed controlled substance.
- (4) The date the controlled substance was dispensed.
- (5) The quantity of the dispensed controlled substance.
- (6) The U.S. Drug Enforcement Agency registration number of the dispenser/prescriber.
- (7) Other data required by the program.

The bill would require the PLA to, during the 2013 interim, report to the Health Finance Commission the impact of requiring how to implement a program where OTP staff who administer opioids report the same information currently required of pharmacists who dispense opioids to INSPECT.

The bill also specifies that the Health Finance Commission is to study the use of methadone and opioid treatment programs and clinic settings during the 2013 interim. This requirement is expected to have no fiscal impact. Additionally, the bill requires the DMHA to provide certain information to the Health Finance Commission by September 1, 2013. This requirement will increase the workload of the DMHA, but this requirement is expected to be fulfilled with existing staffing and resources.

Explanation of State Revenues: *Penalty Provision:* Because the bill adds requirements to current law regarding transmission of information to INSPECT, the potential exists for individuals to knowingly or intentionally violate these requirements, which would be punishable as a Class A misdemeanor (IC 35-48-7-14). To the extent an individual knowingly or intentionally fails to report required information to the INSPECT program, the number of Class A misdemeanors in the state could increase, but any increase is expected to be small.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: DMHA, Medical Licensing Board, PLA.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Christina Hage, FSSA; Marty Allain, PLA.

Fiscal Analyst: Bill Brumbach, 232-9559.